

## RESOLUTION NO. \_\_\_\_\_

1. **WHEREAS**, approximately 50 percent of the highway miles in the Austin region will become toll roads if the Texas Department of Transportation ("TxDOT")/Central Texas Regional Mobility ("CTRMA") "Phase 2" toll plan is implemented; and
2. **WHEREAS**, this will be the highest percentage of toll roads of any city in the state; and
3. **WHEREAS**, the national average toll rate is 9 cents per mile; and
4. **WHEREAS**, the CTRMA told the board of the Capital Area Metropolitan Planning Organization ("CAMPO") that the toll rate on the Phase 2 toll roads would be 12 to 15 cents per mile; and
5. **WHEREAS**, the CTRMA has recently revealed that the toll rate on US 183A will be 44 cents per mile, which is five times higher than the national average and 3 to 4 times higher than the CTRMA represented to CAMPO; and
6. **WHEREAS**, the CTRMA has recently revealed that the toll rate on US 290W in Oak Hill will be 44 cents per mile, which is five times higher than the national average and 3 to 4 times higher than the CTRMA represented to CAMPO; and
7. **WHEREAS**, the CTRMA has recently revealed that the toll rate on SH 71 from I-35 to the airport will be 64 cents per mile, which is seven times higher than the national average and 4 to 5 times higher than the CTRMA represented to CAMPO; and
8. **WHEREAS**, CAMPO staff recently informed the CAMPO board that it will cost \$100 million more to build US 183, SH 71 and US 290 as toll roads than it would cost to build them as free roads; and
9. **WHEREAS**, the CAMPO board will adopt the CAMPO 2030 Mobility Plan in the spring of 2005; and

10. **WHEREAS**, the CAMPO board's review of the 2030 Plan will include evaluating the roads included in the TxDOT/CTRMA "Phase 2 Plan" for toll roads in Central Texas; and
11. **WHEREAS**, the CAMPO board was told that it had to pass the proposed Phase 2 Plan in its entirety or face "serious negative economic ramifications from removing any component of the plan," including the loss of highway funding to Dallas and Houston; and
12. **WHEREAS**, the CAMPO board was that told that the other seven cities submitting toll plans to the Texas Transportation Commission would submit plans similar to the plan prepared by TxDOT/CTRMA; and
13. **WHEREAS**, TxDOT/CTRMA documents contain information about funding for roads in the Phase 2 Plan that was not presented to the CAMPO board; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

That the Austin City Council authorizes the City Manager to enter into an agreement with an outside expert with substantial national experience and expertise in toll financing. The toll financing expert shall conduct an independent financial analysis of the Phase 2 toll road plan that addresses at a minimum the issues set forth in Exhibit A to this Resolution; and

**BE IT FURTHER RESOLVED:**

That the toll financing expert shall present a report to the City Manager and the City Council no later than April 26, 2005; and

**BE IT FURTHER RESOLVED:**

That the Austin City Council authorizes the City Manager to negotiate an agreement with a consultant with substantial national experience in highway planning, including experience in planning of freeways, managed lanes, high occupancy lanes and toll roads. The highway planning consultant shall work with the toll financing expert to develop alternatives to the Phase 2 Plan that build US 183, SH 71 E, US 290 E and US 290W in the most cost beneficial manner from the perspective of Austin region drivers.

## **Exhibit A**

The toll financing expert and highway planning consultant shall analyze at least the following issues and present their findings to the Austin City Council and City Manager:

1. How does the TxDOT/CTRMA Phase 2 toll plan compare with the plans submitted to the Texas Transportation Commission in 2004 by the other seven Texas metropolitan areas?
2. What approaches are other metro areas taking?
3. The information contained in TxDOT documents<sup>1</sup> reflect that Austin area drivers will have to pay operation and maintenance costs for the three highways (US 183, SH 71 and US 290W) and that the roads will also generate net toll revenue.

By tolling US 183, SH 71 and US 290W and thereby assuming the operation and maintenance costs for these highways and receiving access to toll revenues, will Austin area drivers realize a net gain or loss?

This analysis should be performed from the perspective of tolling's impact on Austin and Austin area drivers—not from the perspective of the plan's impact on the TxDOT budget.

4. Could the capacity in the Phase 2 Plan be built without tolling? Describe the options and the costs and benefits of each.
5. What alternative financing and traffic management models (such as high occupancy toll lanes and managed lanes) exist to build this system?
  - a. Which model does the most to reduce traffic congestion?
  - b. Which model has the best cost/benefit to Austin residents?
6. Analyze the ramifications and impact of the Phase 2 plan on Austin, including at least the following:

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<sup>1</sup> [http://www.ctrma.org/documents/US\\_290\\_W\\_Feasibility\\_Analysis.pdf](http://www.ctrma.org/documents/US_290_W_Feasibility_Analysis.pdf) and [http://www.ctrma.org/documents/US\\_183\\_S\\_Feasibility\\_Analysis.pdf](http://www.ctrma.org/documents/US_183_S_Feasibility_Analysis.pdf).

- a. The total estimated additional cost resulting from constructing the Phase 2 freeways as pure toll roads, including the additional cost of toll financing, insurance on the bonds, costs of toll equipment, loss of any state funding and cost of operating the roads as toll facilities as opposed to gas tax funded freeways.
  - b. the ramifications of any loss of state highway funding and transfer of operations obligations to Austin and Austin area drivers.
- 7. How do the toll rates for the roads in the Phase 2 Plan compare to the toll rates for urban highways in cities across the U.S.?
- 8. How does Austin's level of tolling of 50% of all highway lane miles compare to the rate of tolling in other American metropolitan areas?
- 9. The Phase 2 Plan charges tolls up to seven times higher than the national average. The tolled segments range from 2.33 miles to 4.5 miles. Each tolled segment has a free frontage road. In light of these facts, analyze the following:
  - a. How realistic are the usage level assumptions in the toll feasibility studies?
  - b. What cities and road comparisons exist to gauge the effect of charging these toll rates on demand for the roads?
  - c. What levels of usage are most likely?
  - d. How do tolls at these prices affect the projections in the toll feasibility studies?

## AMENDMENTS TO

### Exhibit A

The Expert shall analyze at least the following issues and present their findings to the Austin City Council and City Manager:

1. How does the TxDOT/CTRMA Phase 2 toll plan compare with the plans submitted to the Texas Transportation Commission in 2004 by the other seven Texas metropolitan areas? What approaches are other metro areas taking?

Prepare a historical perspective on the congestion index for the present, ten years ago and twenty years ago, including comparisons to reflect relative baseline situations in cities mentioned.

2. The information contained in TxDOT documents<sup>2</sup> reflect that Travis County drivers will have to pay operation and maintenance costs for the three highways (US 183, SH 71 and US 290W) and that the roads will also generate net toll revenue.

By tolling US 183, SH 71 and US 290W and thereby assuming the operation and maintenance costs for these highways and receiving access to toll revenues, will Travis County residents realize a net gain or loss?

This analysis should be performed from the perspective of tolling's impact on Travis County and Travis County drivers—not from the perspective of the plan's impact on the TxDOT budget.

In determining the cost/benefit analysis, determine the costs estimated to be paid by non-Travis County residents. Austin is in three counties, so include any counties that were included in the Phase 2 Plan.

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<sup>2</sup> [http://www.ctrma.org/documents/US\\_290\\_W\\_Feasibility\\_Analysis.pdf](http://www.ctrma.org/documents/US_290_W_Feasibility_Analysis.pdf) and [http://www.ctrma.org/documents/US\\_183\\_S\\_Feasibility\\_Analysis.pdf](http://www.ctrma.org/documents/US_183_S_Feasibility_Analysis.pdf).

3. Could the capacity in the Phase 2 Plan be built without tolling? Describe the options for the CAMPO TPB and the costs and benefits of each.
4. What alternative financing and traffic management models (such as high occupancy toll lanes and managed lanes) exist to build this system?
  - a. Which model does the most to reduce traffic congestion?
  - b. Which model has the best cost/benefit to Austin residents?
5. Analyze the ramifications and impact of the Phase 2 Plan on Travis County, and in particular the ramifications of any loss of state highway funding and transfer of operations obligations to Travis County and Travis County residents.

Specifically, confirm whether the State gasoline tax dollars for maintenance will be reduced due to the use of toll roads in the Austin area. Determine the impact of no toll roads of new capacity dollars.

Clarify the nature of construction costs and maintenance costs included in the study.
6. How do the toll rates for the roads in the Phase 2 Plan compare to the toll rates for urban highways in cities across the U.S.?
7. How does Austin's level of tolling of 50% of all highway lane miles compare to the rate of tolling in other American metropolitan areas?
8. The Phase 2 Plan proposed tolls up to seven times higher than the national average. The tolled segments range from 2.33 miles to 4.5 miles. Each tolled segment has a free frontage road. In light of these facts, analyze the following:
  - a. How realistic are the usage level assumptions in the toll feasibility studies?

- b. What cities and road comparisons exist to gauge the effect of charging these toll rates on demand for the roads?
  - c. What levels of usage are most likely?
  - d. How do tolls at these prices affect the projections in the toll feasibility studies?
9. For the revenue analysis, confirm with the specific agency the funds available in both tolled and non-tolled scenarios. Confirm that TXDot will fund the ROW and utility relocation costs for tolled projects in lieu of the City of Austin and confirm dollar amount.
10. Determine the most current data to be used in the update analysis. All inflation factors should be updated to this date.

Process:

- ✦ Confirm the "facts" and updated baselines to be used in the analysis.
- ✦ Develop the proposed assumptions and scenarios to be modeled to complete the scope of work and review with the full Council prior to modeling to determine whether other scenarios should be added.